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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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In the Matter of:)	FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY
Implementation of the Cable Television Consumer Protection and Competition Act of 1992)	MM Docket No. 92-260
Cable Home Wiring)	

REPLY COMMENTS OF THE UNITED STATES TELEPHONE ASSOCIATION

The United States Telephone Association (USTA) respectfully submits this Reply concerning the petitions for reconsideration of the Report and Order of the Commission in this proceeding, 8 FCC Rcd 1435 (1993). USTA generally supported the petitions for reconsideration in its Supporting Statement, filed May 18, 1993.

	i.	THE COMMISSION SHOULD ADOPT A RULE GOVERNING CONTROL AND	
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The Consumer Electronics Group of the Electronics Industries Association (CEG of EIA, or CEG/EIA) continues to encourage that "cable subscribers should control their cable home wiring immediately upon installation." Other filings agree, encouraging an arrangement that parallels the Commission's established framework for other home wiring, a framework that has been in place for over a decade. That framework has been thoroughly explored and widely implemented without any of the widespread adverse impacts feared by cable interests in their oppositions here.

It is now an appropriate time to develop a regulatory framework for <u>all</u> cable home wiring. As the CEG of EIA notes, the Commission already has recognized that a more comprehensive scheme would foster greater competition.⁴ The CEG of EIA also recognizes that consumer control of his or her home wiring would achieve a market equilibrium that would ultimately render most regulation of this area unnecessary.⁵ A single demarcation and ownership convention would accommodate the convergence that

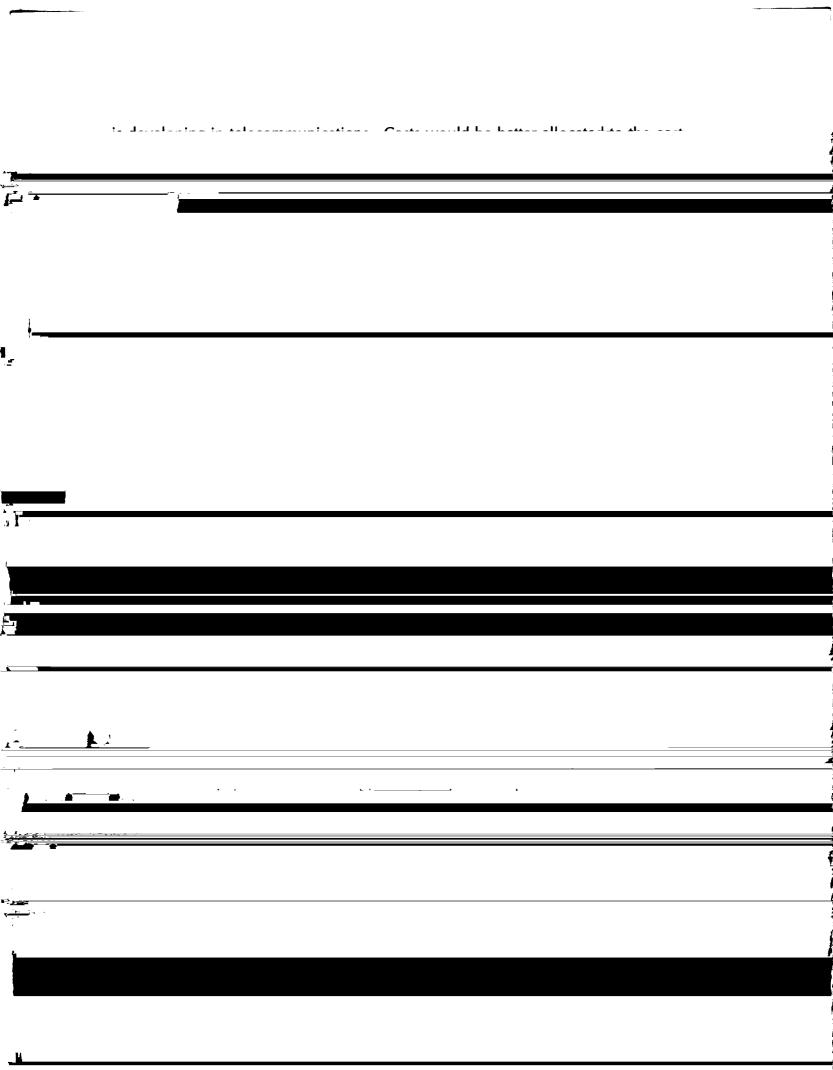
¹CEG/EIA at 1.

²Pacific Bell and Nevada Bell at 1-2; Bell Atlantic at 1; GTE Service Corp at 1.

³Detariffing the Installation and Maintenance of Inside Wiring, First Report and Order, 85 FCC 2d 818 (1981); Second Report and Order, 51 Fed. Reg. 8498 (March 12, 1986), on recon. 1 FCC Rcd 1190 (1986), further recon., 3 FCC Rcd 1719 (1988) remanded sub. nom, NARUC v. FCC, 880 F.2d 422 (D.C. Cir. 1989), on remand, 5 FCC Rcd 3521 (1990).

⁴CEG/EIA at 2.

⁵CEG/EIA at 2-3.



it is installed. Nothing in the 1992 statute removes the Commission's power to so act.

Time Warner Entertainment is simply wrong in arguing that the Commission is powerless to act regarding cable home wiring prior to the time a subscriber terminates service.⁷

The policy arguments against a uniform rule are specious at best. NCTA and TKR Cable argue that a cable home wiring rule would compel cable operators to give their wiring to competitors.⁸ TKR claims a more responsive rule would permit another distributor to "commandeer" its cable plant. These statements completely misunderstand the public interest issue that is present.

To USTA's knowledge, no one in this proceeding has advocated mandatory transfer of ownership of cable home wiring from one multichannel video programming distributor to another. Rather, the issue is how can the <u>consumer</u> have the necessary control of the cable television wiring that is installed in his or her <u>own home</u>, so as to eliminate the incentive and ability of a cable operator to prevent the consumer's otherwise free exercise of choice. NCTA's entire discussion simply forgets about the underlying concern - the consumer's interest.

⁷TWE at 11.

⁸NCTA at 2.

⁹See NCTA at 3-4.

Likewise, a rule addressing control of cable home wiring will not dissuade cable operator installation of such wiring, as Time Warner Entertainment suggests. A rational cable operator still will install wiring to sell its services, but it will be motivated by a clear rule to unbundle and price the wiring fairly, and to explain to the customer how unbundled sale of cable home wiring would work. The Commission's telephone inside wiring decisions have had no discernable impact on installation of that type of wiring. The market adjusts and moves on. The speculative fears of Time Warner Entertainment should be discounted and ignored.

II. THE TWELVE-INCH DEMARCATION POINT REQUIRES CHANGE.

The twelve-inch rule is by its nature arbitrary. The Commission chose that point, but could have chosen three feet, or six feet, or twenty feet. The record on reconsideration indicates that the twelve inch rule will not achieve what the Commission intends. The Commission should revise the boundary it set, allowing the demarcation point to be more adaptable - to include areas dedicated to individual units and to promote choice of reasonably accessible places. If the twelve inch rule leads to a boundary encased in concrete, the rule is unworkable. The Commission can and should modify the rule to provide more flexibility.

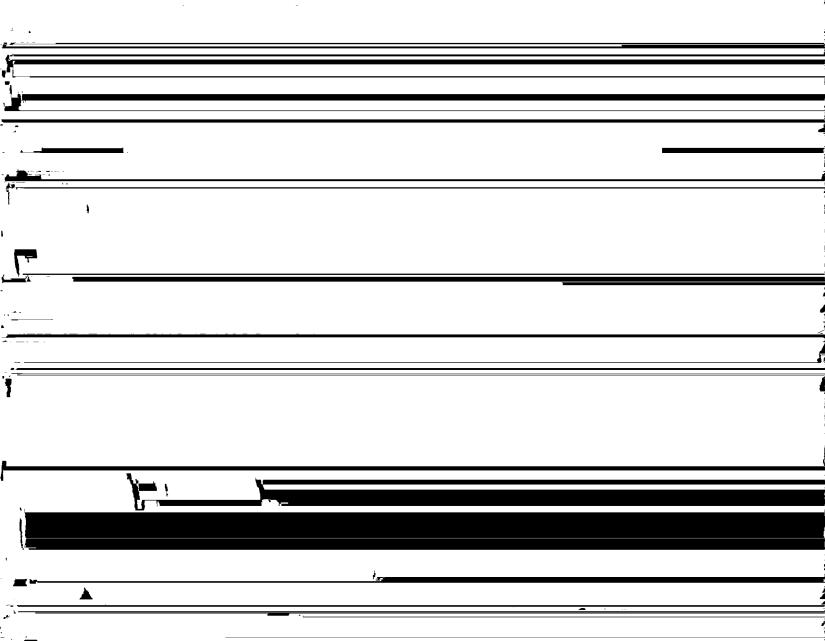
¹⁰TWE at 12.

¹¹Bell Atlantic at 3; CEG/EIA at 3.

This can be done without sacrificing certainty. Time Warner Entertainment argues that the Commission may have to adjudicate what is "necessary" to allow competitive access in individual cases. This is not true. A rule such as that suggested above, or based on the telephone inside wire rules, will be fully suitable.

III. CONCLUSION.

The Commission should revise its rule, or promptly initiate a rulemaking to address these aspects of cable home wiring, and it should grant the petitions for



CERTIFICATE OF SERVICE

I, Robyn L.J. Davis, do certify that on June 2, 1993 copies of the foregoing Reply Comments of the United States Telephone Association were either hand-delivered, or deposited in the U.S. Mail, first-class, postage prepaid to the persons on the attached service list.

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